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Judge Rules Rewald Case Ready for Trial

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The federal criminal trial of Ronald Rewald will go on as scheduled despite protests by Rewald's attorney that he is not prepared.

Federal Public Defender Michael Levine, who months ago fought government attempts to disqualify his office from the Rewald case, yesterday asked U.S. Judge Harold Fong to remove him as Rewald's attorney.

Levine said he has been negligent in representing Rewald because he had "grossly underestimated" the resources needed to handle the case. Levine's office received more than \$200,000 in additional court funds to cover Rewald's defense. But despite that amount, and two other attorneys working on the case, Levine said he was not prepared for trial.

"Is Ronald Rewald to suffer by having to go to trial when his counsel is unprepared?" Levine asked Fong.

FONG SAID that defense attorneys never think they are completely prepared for a case. He said he did not know any attorneys who could prepare for the case better than Levine's defense team, made up of Levine, deputy federal public defender Brian Tamanaha and attorney Wayne Parsons.

Ironically, prosecutors months ago tried to get Levine's office disqualified from representing Rewald because one of the deputy federal public defenders was the son of an investor who lost money in Rewald's company.

Assistant U.S. Attorney John Peyton said Fong should determine if Levine had made a "tactical decision" to concentrate on the "CIA defense" instead of developing other defenses against the fraud charges. He pointed out that Levine did not until recently review thousands of documents available to him for several months. He said defense attorneys have logged fewer than 45 hours reviewing Rewald's own company files, which have been in the hands of the bankruptcy trustee.

THE RECORDS of Bishop, Baldwin, Rewald, Dillingham & Wong were seized by the courts shortly after Rewald's financial empire collapsed in July 1983. The government charges that Rewald defrauded hundreds of investors out of a total of \$22 million. When bankruptcy officials took over the company, they found that all of the investors' money apparently had been spent by Rewald for company overhead and for an extravagant lifestyle.

Rewald's defense is that the CIA set up and ran his company and that he did not intend to defraud investors.

Fong said that Rewald's attorneys have had records at their disposal to review since December 1984.

He refused both Levine's request that the trial be delayed for 90 days and that Levine be taken off the case. Jury selection is scheduled for Aug. 6. The trial is expected to take at least three months.

FONG ALSO denied a request by Levine to change the location of the trial because of what he called unfair publicity. Fong had denied a similar motion previously. He said he will consider moving the trial if it is impossible to pick an impartial jury in Hawaii.

All motions yesterday did not go against the defense, however.

Fong denied the government's request to cut three perjury charges out of the scheduled trial. Had the judge granted the government's motion, Rewald would have been tried on the fraud and tax charges first and later tried on charges that he lied about CIA involvement in his company.

Ted Greenberg, one of the government attorneys prosecuting the case, said that CIA evidence concerning the perjury counts might confuse the jury in its deliberation on the other fraud counts.

Fong, however, said it was in the "interest of judicial economy" to have one trial on all the 98 counts in the indictment.